

EAST POINT FLOWER PATCH
1705 WASHINGTON AVENUE
EAST POINT, GEORGIA 30344

April 8, 1997

Honourable Dan Schaefer
Chairman
Subcommittee on Energy and Power
U.S. House of Representatives
Room 2 125, **Rayburn** House Office Building
Washington, D.C. **20515-6115**

RE: Testimony before Committee on Commerce Subcommittee on Energy and **Power**

Dear Mr. Schaefer.

I am honoured to be able to appear before your distinguished committee on issues dealing with power and energy. As an entrepreneur and the daughter of entrepreneurs, I have for over twenty years made my living **as** a small businessperson in the **floral** and gift industries.

However, I have found that over the last nine years that it has become increasingly difficult to succeed in my business **endeavours** in the City that my family has been established in for over seventy years, East Point, Georgia. Since I opened my florist in this City in **1989**, I have suffered what I believe to be financial injustices placed on me by the City Government.

In two particular areas are such injustices the most prevalent: continually increasing taxes and the cost of utilities in particular that of electrical utilities. I know that your committee is focused on the feasibility of deregulation of the electrical utilities industry and that area is too my greatest concern. For if sanctions on the City of East Point are not instituted immediately, I along with countless other small **businesses** will be either forced out of business or have to relocate to more rate sensitive cities.

To educate you on the crisis facing the average business and resident in East Point, you should know the following **facts**:

FACT ONE: East Point along with several other cities throughout the state of Georgia entered **into** a fifty year contract with **the** Municipal Electric Association of Georgia to provide electricity to the businesses and residents in the **early 1970's**. The contract was based on the City gaining tens of thousands of new residents and guaranteeing to buy.

FACT TWO: **Unlike residents** of other cities that buy their power **from** private companies **like** the Georgia Power Company, businesses and residents of East Point have no regulating authority to approve or deny rate increases. The Mayor and City Council may raise rates at any time they so choose without any notice to the public and without justification.

SINCE 1989, THE AVERAGE COST OF ELECTRICAL UTILITIES HAVE RISEN TWO HUNDRED AND SIXTY THREE PER CENT (263%)

FACT THREE: During the **Spring of 1996, a business partner and I started a new business**. basically a retail incubator building for **would be** retailers. **After** a few very successful months, our **business** started to dwindle badly because we could no longer afford to provide the space at **affordable** rates. At one point, our electric bill was three times that of our mortgage!!!

BOTH MY FLORIST AND RETAIL INCUBATOR SPACE HAD TO GO WITHOUT AIR CONDITIONING IN 90+ DEGREE HEAT AND HAD TO CUT OFF LIGHTS TO CONSERVE ENERGY CAUSING US TO LOSE THOUSANDS OF DOLLARS WORTH OF BUSINESS!!!

FACT FOUR: Several small and medium sized business owners **alike** demanded to **meet** with City **Officials** in the Summer of 1996 to determine ways of saving on electrical costs. During a meeting with **them**, much "lip service" was given to us, but some nine months later no relief nor suggestions have been made to us.

THE CITY HAS SOMETHING CALLED A "SUMMER RATE" THAT THEY IMPOSE AT ARBITRARY TIMES WITHOUT ANY NOTICE TO BUSINESSES OR RESIDENTS PREVENTING US FROM KNOWING WHEN WE WILL HAVE TO START SAVING FOR RATES THAT ARE FAR GREATER THAN THE NORMAL HIGH RATES.

FACT FIVE: It is common knowledge in this City that the "lion's share" of the cost of electrical costs is paid by business and industry so as to provide "more economical rates" to the residents. Residential rates have soared on a comparable basis in a city where over twenty per cent of the population is considered to be senior citizens.

THE HOUSING AND COMMERCIAL BUILDING STOCK IN THE CITY OF EAST POINT CONTINUES BECAUSE BOTH ARE UNABLE TO REINVEST IN THEIR BUILDINGS AND HOMES BECAUSE ALL AVAILABLE MONIES ARE GOING INTO PAYING THEIR UTILITIES.

FACT SIX: The City does not allow for any "budget big" like private utility customers. creating a financial hardship on all that are on fixed income and on those of us who have to keep a close eye on the "bottom line". There are hundreds of thousands

of dollars of unpaid utility bii going back over several years that the City has neither attempted to collect nor cares if they collect. The City also has a delinquency rate of over fifteen per cent for property taxes.

MY BUSINESSES WOULD BE BANKRUPT IN A MATTER OF MONTHS IF MY DELINQUENCY RATES ON RECEIVABLE WERE SO EXTREME!

In summary, as a business person, I do not know how much longer that I will be able to stay in business if immediate relief is not given to me on my electrical utilities. Deregulation appears to be the only answer, because my local government has failed me miserably.

I can not raise prices and force my customers to pay them, but East Point Officials appear to be Cavalier in their attitude towards the people that pay their salaries and assume that there is absolutely nothing that they can do about it! Unless your body allows deregulation to occur in the electrical utilities industry, they are right and I am broke!

Sincerely,

A handwritten signature in black ink that reads "Leone Grizzard". The signature is written in a cursive, flowing style with large, connected letters.

Leone Grizzard
Owner